

Morgan County's process for adjusting values annually.

### **Residential Property**

2008 added around 960 additional sales to combine with the 2007 sales used last year.

We used both individual sales and combined information for the multiple parcel sales.

A study of all foreclosed property remains ongoing to ensure that any influence those sales might be having on the current market is addressed. The foreclosed properties are still widely scattered throughout the county with only a few small areas where the bank sales are more frequent. These homes are still selling quicker for the lower asking amounts but are being resold with-in a few months for amounts comparable to non-foreclosed properties in those neighborhoods. Therefore, these sales are not having a large impact on the market at this time. The June 7, 2008 flood had a great impact on several communities. We lost approximately 300 homes that were totally destroyed by the flood. All homes affected have been re-visited to make any corrections to parcel characteristics that have changed as a result.

There are several new subdivisions along with a moderate amount of splits with-in the county giving ample vacant land sales to establish land values.

This year we have made a concentrated effort to review the grade and condition ratings of homes. We have found a few areas where grades were too wide placed. These areas have been corrected and seems to have made those neighborhoods more consistent.

We are using the local MLS as another review process. We also use the MLS to help verify all sales in the county. In addition to the multiple listings we are also using our appeals to locate any problem neighborhoods.

The County Assessor office still conducts all field inspections for new construction and does all data entry.

### **Commercial /Industrial Property**

As with the residential properties, the commercial areas were also greatly affected by the June 7, 2008 flood. We have several large shopping areas that have undergone major renovation after the flood. These commercial properties have all been reassessed. Some of these properties had sales in 2007 and early 2008 making it a little difficult getting back to an accurate valuation at the time of sale based on any new trending figures!

We have reviewed the new Marshall & Swift cost schedules in addition to all valid sales to determine the correct factors to apply to all commercial and industrial properties. Martinsville and Mooresville remain are largest concentration of commercial property. The remainder are mostly "mom and pop" businesses that do not often sell or if sold, do not continue to operate as a business.

Appeals from all commercial properties along with any appraisal and income and expense information submitted with appeals have been reviewed as an additional source of value.

We have worked with rental property owners along with the MLS and sales information to arrive at correct GRM market rent information. Row-type rental property is the one area where foreclosure has impacted the market. We have one local bank that has gained ownership

of quite a few doubles. Rather than sell or "dump" these properties, they have been renting them for what ever they can get! This dropped the rent rates in Martinsville by about \$100 dollars a unit. Then the flood increased the amount of renters in the Martinsville area and the selling price and rent rates of Row-types started climbing again!

Industrial property sales seemed to have slowed down. Several areas were added together based on physical and geographical similarities to help get enough sales to conduct a ratio study. There were still several areas that did not have enough sales and adding more years didn't get any more sales. In these areas we have used appraisals from recent appeals as a source of value as well as Marshall and Swift cost tables.

Along with our workbook we have again provided a list of all parcels that have had any type of new construction or additions to property that would change the value. This list includes the parcels that were damaged or destroyed in the June flood. We also added an excel spreadsheet that has explanation of any sales that were made "not valid" or parcels that were changed during the trending process.

If you have any questions please contact us. We are eager to help in any way we can!

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